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26 Feb

MEMORANDUM FOR: Richard Lehman

SUBJECT : Thoughts on the CFI and Its Future Effectiveness

1. The CFI arrangement is good and should be given every chance to work effectively. The most important role of CFI is to develop an effective budgetary review process. This responsibility will inevitably fall on IC Staff.

2. To ensure that a workable process is developed and to try to reduce to manageable dimensions all of the complex and emotional issues which will arise, I urge that consideration be given to the following points:

- Preparation of a paper for the review of the CFI and the program managers (for NRP, CCP, GDIP, and CIAP) setting forth a preliminary division of responsibility for program/budgetary review between the CFI/IC Staff and the program managers. Such a paper should attempt to clarify lines of responsibility. Each program manager and the IC Staff should be required to produce a short draft paper on this subject for discussion.
- Establishment of a CFI working group under IC Staff auspices made up of comptroller or program/budget personnel from each of the programs included under the CFI's purview to consider a review process and schedule. A strawman should be developed by IC Staff.
- In light of the above, and only after some initial discussion has taken place, development of alternative proposals for CFI consideration as to how the IC Staff should be organized, staffed, and funded to carry out its agreed upon responsibilities.

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3. The basic premise here should be clear enough. The CFI arrangement will not function as it is intended in the resource area unless it has a clear and agreed upon concept of the scope of its responsibilities, a concept which is shared to the maximum degree possible by the program managers who will need to support it.



/James H. Taylor
Deputy Comptroller

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cc: Mr. Knoche

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